

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7743
BILL NUMBER: HB 2060

DATE PREPARED: Jan 22, 2001
BILL AMENDED:

SUBJECT: Student testing.

FISCAL ANALYST: David Hoppmann
PHONE NUMBER: 232-9559

FUNDS AFFECTED: X **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *ISTEP+ Testing Requirement-* This bill removes the requirement for Indiana Statewide Testing for Educational Progress (ISTEP+) testing in grades 3, 6, and 8.

Grades 1-8 Diagnostic and Achievement Tests- It provides that each student in grade 1 through grade 8 must take a diagnostic test at the beginning of the fall semester of a school year and an achievement test at the end of the spring semester of a school year.

Summer Remediation- It provides that a student who does not receive a grade of at least 70% on the achievement test must receive summer remediation. It provides that such a student must take the achievement test at the end of the remediation and that, if the student does not receive a grade of at least 70%, the student may not be placed in the next grade level.

This bill also makes conforming amendments to related statutes.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Department would experience an increase in administrative expenses regarding the provisions of this bill. Although the Department would no longer be required to administer the ISTEP+ in grades 3, 6, and 8, it would be required to administer eight different diagnostic tests and eight different achievement tests each school year. In addition, the Department would be required to administer an additional achievement test each summer to students unable to meet testing requirements during the preceding school year.

The Department would also experience administrative expenses regarding the development and piloting of the diagnostic and achievement tests. The development of a new test typically involves the following determinations when establishing alignment with a set of state standards: 1) the number of questions; 2) the length of each question; 3) cutoff scores; and 4) test validity/ reliability. In addition, the Department would

likely experience an increase in summer remediation costs associated with achievement tests.

The specific effects of this bill are currently indeterminable, and would be dependant upon various factors such as a successful development and piloting phase as well as the numbers of students failing to meet the standards of each achievement test on an annual basis.

Background- ISTEP+ is Indiana's statewide student assessment program which is currently given in grades 3, 6, 8, and 10. ISTEP+ includes both norm- and criterion-referenced components, is administered in the fall, and is based upon proficiencies from the previous year.

The norm-referenced component of ISTEP+ compares a student's performance to the performance of a statistically representative sampling of U.S. students. The criterion component of ISTEP+ (which includes English/Language Arts and Mathematics subject areas) measures student performance against the Indiana Academic Standard (an expectation of student achievement developed by the State Standards Task Force).

Beginning with the graduating class of the 1999-2000 school year, students who expected to graduate with a diploma were required to either: 1) complete all high school graduation credit requirements in addition to receiving a score at or above the Indiana Academic Standard on the Examination; 2) successfully complete all components of the CORE 40 curriculum; or 3) successfully appeal the Grade 10 Examination (the Examination) test results in accordance with current law. A student who does not receive a score at or above the Indiana Academic Standard, may retake the Examination during each semester of each grade following the grade in which the student is initially tested.

Of the students in the graduating class of the 1999-2000 school year, 86% received a score at or above the Indiana Academic Standard on the Examination. Currently, over 73% of the 2000-2001 graduating class have met or exceeded this standard.

For FY 2001, \$37,715,197 were appropriated from the State General Fund and State Dedicated Funds for ISTEP+ testing and remediation (grades 3, 6, 8, and 10). Of this amount, approximately \$25 M were distributed to eligible school corporations for preventative and regular remediation, while approximately \$12 M were distributed for test development and test administration.

Explanation of State Revenues:

Explanation of Local Expenditures: School corporations would be required to administer the diagnostic and achievement tests in accordance with the provisions of this bill.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: School Corporations.

Information Sources: Wes Bruce, Department of Education (317) 232-9050.